

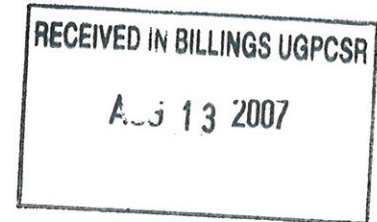


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August 9, 2007

Mr. Bob Harris, Regional Manager
Upper Great Plains Region
Western Area Power Administration
2900 4th Avenue North
Billings, MT 59101-1266



Dear Mr. Harris:

As the statewide service organization for South Dakota's electric cooperatives, the South Dakota Rural Electric Association (SDREA) would like to submit the following comments in regard to uses of WAPA's next proposed Resource Pool for both the Loveland Area Projects (LAP) and Eastern Division Pick Sloan.

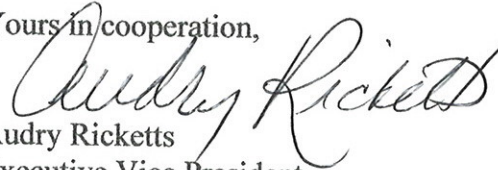
SDREA believes that Western should implement the next Resource Pool following the same policies and procedures of prior Resource Pools. In implementing the new Resource Pool, Western should focus on allocations to preference eligible utilities in amounts sufficient to be meaningful to new firm power customers. Providing small allocations will not provide sufficient benefit to new customers and will work a hardship on existing firm power customers whose allocations have been reduced by Resource Pool withdrawals.

In making allocations from the Resource Pool, Western must operate within existing laws and regulations. Western should not use "appropriate purposes" to attempt to expand existing laws and policies on eligibility requirements for receiving firm power allocations of federal power.

In closing, we submit that terms and conditions should be identical to terms and conditions of existing firm power customers. If, and when, withdrawals are made in the future, reductions should apply to all firm power contract holders.

Bob, we thank you for allowing us to comment and we would ask that WAPA consider these issues as they move forward.

Yours in cooperation,


Audry Ricketts
Executive Vice President